

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL ASSISTANCE DIVISION****Community and Economic Development Section**

State CDBG Program

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**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number 06-02****TO: All CDBG Eligible Jurisdictions & Interested Parties** **DATE: February 17, 2006****SUBJECT: Forbearance on milestones for 2005 G/NA/C grants**

The Department of Housing and Community Development's implementation of an automated system to handle application entry, rating and ranking, award letter generation and contacts has not proceeded on the planned schedule. In fact, significant delays have occurred in the creation, generation and dissemination of the standard agreements for the General, Native American and Colonias contracts awarded in July of 2005. These contracts may be identified as 04-STBG-XXXX or 05-STBG-XXXX.

In light of the delays in implementing projects and programs that grantees are experiencing, due to the delayed standard agreements between the department and grantees, the CDBG program will be showing forbearance when either reviewing the performance of grantees in 2006 for holdouts or for scoring performance in the General/Native American/Colonias funding cycle. The milestones for the year 2006 will be waived for General/Native American/Colonias contracts awarded in July 2005. All other milestones will remain in effect.

If you have questions about this please call your CDBG General representative or the program secretary at (916) 552-9398.